

TESTIMONY OF CHARLES C. MADDOX,  
INTERIM INSPECTOR GENERAL, BEFORE  
THE DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY  
AND MANAGEMENT ASSISTANCE AUTHORITY

MAY 26, 1999

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CHAIRPERSON RIVLIN AND MEMBERS OF THE AUTHORITY:

I AM HONORED TODAY TO BE ABLE TO APPEAR BEFORE YOU AS THE CANDIDATE FOR ONE OF THE MOST IMPORTANT POSITIONS IN THE DISTRICT OF COLUMBIA—THAT OF INSPECTOR GENERAL. AS WE ALL KNOW, THIS CITY IS EXPERIENCING A RENAISSANCE THAT IN LARGE MEASURE HAS BEEN DRIVEN BY GOVERNMENT FORCES SUCH AS THIS AUTHORITY, THE MAYOR, AND THE COUNCIL. I BELIEVE, HOWEVER, THAT THE DRAMATIC CHANGES AND GROWTH PRODUCED BY A REINVIGORATED CITY SERVE TO ENHANCE THE NEED FOR AN INSPECTOR GENERAL WHO IS VIGILANT, INDEPENDENT, AND EFFICIENT.

A LITTLE MORE THAN A YEAR AGO, THE PREVIOUS INSPECTOR GENERAL, E. BARRETT PRETTYMAN, JR., PROVIDED A STATEMENT DURING HIS CONFIRMATION HEARING IN WHICH HE ADVISED YOU THAT HE WAS ASTONISHED TO FIND THAT THE OFFICE WAS SEVERELY UNDERSTAFFED, INSUFFICIENTLY FUNDED, AND LACKED MOST OF THE BASIC SUPPLIES AND EQUIPMENT NEEDED TO PERFORM ITS WORK. LARGELY AS A RESULT OF THE EFFORTS OF MR. PRETTYMAN, OUR OFFICE IS NOW EQUIPPED WITH THE PERSONNEL, SPACE AND EQUIPMENT TO ENABLE US TO ADVANCE TO

THE NEXT PHASE OF DEVELOPMENT. I WOULD LIKE TO PROVIDE YOU NOW WITH MY VIEWS ON THE DIRECTION THIS OFFICE SHOULD TAKE NEXT.

WITH THE BLESSING OF THIS AUTHORITY, I INTEND TO CONTINUE AND INTENSIFY THE RESURGENCE OF OUR EFFORTS IN A NUMBER OF WAYS— FIRST, BY CONSTANTLY INTERACTING WITH OTHER GOVERNMENT COMPONENTS AS WELL AS THE PUBLIC TO INSURE THAT THEIR NEEDS ARE BEING MET; SECOND, BY CLARIFYING OUR MISSION AND ADJUSTING OUR FOCUS TO ACCOMMODATE CHANGING NEEDS; AND THIRD, BY CREATING NEW PERFORMANCE STANDARDS FOR OUR OWN EMPLOYEES TO ENSURE THAT THEY ARE OPERATING AT THE HIGHEST LEVELS. I WILL COMMENT BRIEFLY ON EACH OF THESE THREE AREAS.

#### INTERACTION

LAST WEEK THE CITY COUNCIL'S COMMITTEE ON GOVERNMENT OPERATIONS HELD AN OVERSIGHT HEARING ON THE OFFICE OF THE INSPECTOR GENERAL AND INVITED ME, THE PUBLIC, AND SEVERAL DISTINGUISHED MEMBERS OF THE FEDERAL IG AND REGULATORY COMMUNITY TO DISCUSS A NUMBER OF ISSUES CRUCIAL TO ALL IG OFFICES. DURING THIS DISCUSSION, ALL OF US AGREED THAT, IN ORDER TO ACHIEVE MAXIMUM EFFECTIVENESS, AN IG MUST ENGAGE IN

PARTNERSHIP BUILDING AT SEVERAL LEVELS. ALTHOUGH I VIEW INDEPENDENCE AS THE KEYSTONE OF AN IG OFFICE, I KNOW THAT IT IS ALSO NECESSARY FOR ME TO CONTINUE CREATING STRONG BRIDGES WITH THOSE WE SERVE. I PLAN TO ATTEND COMMUNITY MEETINGS, MAKE PRESENTATIONS TO EMPLOYEES OF OTHER AGENCIES, AND PROMOTE OUR HOTLINE IN ORDER TO PROVIDE GREATER ACCESS TO US. I ALSO HOPE TO INCREASE THE LEVEL OF INTERACTION WITH MEMBERS OF THIS AUTHORITY, THE MAYOR AND HIS STAFF, THE COUNCIL, AND HEADS OF OTHER AGENCIES.

### GOALS

IT IS CRUCIAL TO ANY AGENCY THAT ITS MISSION AND FOCUS BE WELL UNDERSTOOD. WHILE IT IS COMMON KNOWLEDGE THAT INSPECTOR GENERALS' OFFICES ARE CREATED TO DETECT AND PREVENT WASTE, FRAUD AND ABUSE, I BELIEVE THAT IT IS NECESSARY TO CLARIFY THIS GENERALIZATION WITH A BILL OF PARTICULARS FOR ALL TO FOLLOW. FOR THAT REASON, WE HAVE PROPOSED LEGISLATION TO MEMORIALIZE THE THREE OBJECTIVES OF OUR OFFICE: (1) TO CONDUCT AND SUPERVISE AUDITS AND INVESTIGATIONS RELATING TO THE PROGRAMS AND OPERATIONS OF ALL DEPARTMENTS AND AGENCIES OF THE DISTRICT GOVERNMENT; (2) TO PROVIDE LEADERSHIP AND COORDINATION AND RECOMMEND POLICIES FOR ACTIVITIES DESIGNED TO PROMOTE

ECONOMY, EFFICIENCY, AND EFFECTIVENESS AND TO PREVENT CORRUPTION, MISMANAGEMENT AND WASTE IN PROGRAMS AND OPERATIONS; AND (3) TO PROVIDE A MEANS FOR KEEPING THE HEADS OF DISTRICT GOVERNMENT DEPARTMENTS, THE MAYOR, THE COUNCIL, AND THE AUTHORITY FULLY INFORMED ABOUT PROBLEMS AND DEFICIENCIES RELATING TO THE ADMINISTRATION OF PROGRAMS AND OPERATIONS.

I INTEND TO BEGIN ISSUING THREE NEW REPORTS DURING OR AFTER THE CONDUCT OF AN INVESTIGATION, AUDIT, OR INSPECTION. THESE REPORTS WILL BE ENTITLED THE MANAGEMENT ALERT REPORT (MAR), THE MANAGEMENT IMPLICATION REPORT (MIR), AND THE FRAUD ALERT REPORT (FAR). A MAR IS A REPORT THAT WILL BE ISSUED TO THE HEAD OF AN AGENCY FOR THE PURPOSE OF IDENTIFYING SYSTEMIC PROBLEMS THAT SHOULD AND COULD BE ADDRESSED DURING THE AUDIT, INVESTIGATION, OR INSPECTION PROCESS. A MIR IS A REPORT THAT WOULD BE ISSUED AT THE COMPLETION OF THE AUDIT, INVESTIGATION OR INSPECTION. THIS REPORT WOULD BE DISTRIBUTED AGENCYWIDE-- WITHOUT IDENTIFYING THE AGENCY WHICH HAD THE INITIAL PROBLEM -- IN ORDER TO ALERT ALL AGENCY HEADS OF POTENTIAL PROBLEMS WHICH MAY OR MAY NOT BE OCCURRING IN THEIR PARTICULAR AGENCIES. A FAR IS A REPORT IDENTIFYING A FRAUDULENT SCHEME OR SCHEMES DISCOVERED MOST COMMONLY AS A RESULT OF A CRIMINAL INVESTIGATION. THIS REPORT WILL ALSO BE ISSUED TO ALL AGENCY

HEADS ALERTING THEM TO BE ON THE LOOKOUT FOR SIMILAR SCHEMES WITHIN THEIR OWN AGENCIES, AGAIN WITHOUT IDENTIFYING THE SUBJECT AGENCY.

COPIES OF THE MIR AND FAR WILL BE PROVIDED TO THE MAYOR, THIS AUTHORITY AND THE COUNCIL. THESE REPORTS WILL BE ISSUED ON BRIGHT EASILY IDENTIFIABLE OFFICE OF INSPECTOR GENERAL LETTERHEAD IN ORDER TO DISTINGUISH THEM FROM ROUTINE MEMORANDA. IN FACT, THIS WEEK WE HAVE ISSUED THE FIRST OF SUCH REPORTS, A MIR, IN ORDER TO CORRECT WHAT WE SUSPECT IS A SYSTEMIC PROBLEM WITH THE METHODS CURRENTLY BEING USED TO TRANSMIT AND EVALUATE INFORMATION OBTAINED FROM CONFIDENTIAL FINANCIAL DISCLOSURE FORMS.

TO BETTER ACCOMPLISH OUR OBJECTIVES, I HAVE RECENTLY REORGANIZED OUR OFFICE BY DIVIDING IT INTO THREE PARTS: THE AUDIT DIVISION, THE INVESTIGATIVE DIVISION, AND THE NEWLY-CREATED INSPECTIONS AND EVALUATION DIVISION (I & E). THIS NEW DIVISION WILL BE DEDICATED TO PROVIDING DISTRICT OF COLUMBIA GOVERNMENT DECISION MAKERS WITH OBJECTIVE, THOROUGH, AND TIMELY EVALUATIONS AND RECOMMENDATIONS THAT WILL ASSIST THEM IN ACHIEVING EFFICIENCY, EFFECTIVENESS, AND ECONOMY IN OPERATIONS AND PROGRAMS. I & E GOALS ARE AS FOLLOWS: TO HELP

ENSURE COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS, AND POLICIES; TO IDENTIFY ACCOUNTABILITY, RECOGNIZE EXCELLENCE AND PROMOTE CONTINUOUS IMPROVEMENT IN THE DELIVERY OF SERVICES TO D.C. RESIDENTS AND OTHERS WHO HAVE A VESTED INTEREST IN THE SUCCESS OF THE CITY.

NOT ONLY WILL THIS THREE-PART STRUCTURE RESEMBLE THE MODEL USED BY MOST LARGE IG OFFICES, BUT IT ALSO ADDS THE NEW I & E. PROCESS DESIGNED TO INSPECT A PARTICULAR PROGRAM OR AGENCY TO EVALUATE ITS EFFICIENCY AND EFFECTIVENESS. THIS CAPABILITY WILL ALSO COMPLEMENT THE MAYOR'S MANAGEMENT PERFORMANCE REVIEW PROGRAM, WHICH HAS A SIMILAR BUT BROADER APPROACH.

DURING THE CONFIRMATION PROCESS, I HAVE BEEN ASKED ABOUT MY HIRING PROCESS AND ABOUT THE LARGE NUMBER OF FORMER FEDERAL EMPLOYEES WHO ARE CURRENTLY ON BOARD. IT WILL BE MY PRACTICE TO HIRE THOSE INDIVIDUALS WHO ARE BEST EQUIPPED—BASED ON THEIR EXPERIENCE, EDUCATION, ABILITY, AND INTEGRITY—TO ACCOMPLISH OUR MISSION, WHICH IS THE IMPROVEMENT OF GOVERNMENT AND, ULTIMATELY, THE QUALITY OF LIFE IN THIS CITY. SOME OF OUR EMPLOYEES HAVE BEEN HIRED FROM THE RANKS OF FEDERAL IG OFFICES AND FEDERAL LAW ENFORCEMENT AGENCIES WHEN THESE EMPLOYEES POSSESSED SPECIFIC ABILITIES UNIQUELY SUITED FOR OUR PURPOSES. I

WOULD LIKE TO EMPHASIZE, HOWEVER, THAT MANY OF OUR STAFF HAVE BEEN DRAWN FROM OTHER DISTRICT AGENCIES, INCLUDING THE POLICE DEPARTMENT.

### PERFORMANCE STANDARDS

IN THE PAST, THIS OFFICE HAS MEASURED ITS PERFORMANCE LARGELY THROUGH THE USE OF STATISTICS. ALTHOUGH QUANTITATIVE MEASURES ARE IMPORTANT, WE HAVE ALSO CREATED A QUALITATIVE DIMENSION UNDER THE STEWARDSHIP OF MR. PRETTYMAN, WHO ISSUED TWO MAJOR REPORTS AVAILABLE TO THE PUBLIC WHICH PROVIDE A DETAILED DESCRIPTION OF OUR ORGANIZATION, PERSONNEL, MAJOR CASES, EXPENDITURES, AND VIRTUALLY ALL OTHER ACTIVITIES OF SIGNIFICANCE. SIMILAR INFORMATION IS ON OUR WEBSITE, WWW.DCIG.ORG, WHICH WE REPLENISH ON A REGULAR BASIS. BECAUSE WE ARE CONVINCED THAT THIS REPORT ESTABLISHES AN EFFECTIVE WAY TO ENSURE ACCOUNTABILITY TO THE PUBLIC, WE HAVE PROPOSED LEGISLATION TO MAKE IT MANDATORY IN THE FUTURE.

BECAUSE OUR OFFICE HAS EXPERIENCED MUCH-NEEDED GROWTH DURING THE LAST EIGHTEEN MONTHS, I NOW PLAN TO INCREASE OUR CAPACITY TO DEVELOP THE SAME STANDARDS OF QUALITY ASSURANCE COMMON IN THE FEDERAL SYSTEM. IN THAT REGARD, I AM IN THE

PROCESS OF IMPLEMENTING A RECOMMENDATION TRACKING SYSTEM THAT WILL ASSIST US IN FOLLOWING UP ON SIGNIFICANT AUDIT FINDINGS AND RECOMMENDATIONS. THESE "OUTCOME MEASURES" INCLUDE A REVIEW OF THE STATUS OF ACTIONS BY MANAGEMENT ON SIGNIFICANT FINDINGS AND RECOMMENDATIONS FROM PRIOR AUDITS TO ENSURE THAT CORRECTIVE ACTIONS HAVE BEEN IMPLEMENTED. ULTIMATELY, THE MEASURE OF THE EFFECTIVENESS OF AN IG IS THE EXTENT TO WHICH THE OFFICE'S GOALS ARE ACHIEVED, AND THE ULTIMATE GOAL IS TO CORRECT SYSTEMIC PROBLEMS IN A WAY THAT ENSURES THAT THEY ARE NOT REPEATED.

BEFORE I CONCLUDE MY REMARKS, I WOULD LIKE TO ADDRESS A CONCERN EXPRESSED BY SOME MEMBERS OF THE COUNCIL REGARDING THE HIGH TURNOVER RATE OF PAST INSPECTORS GENERAL IN THE DISTRICT. I WOULD LIKE YOU TO KNOW THAT I HAVE WORKED IN WASHINGTON, D.C., FOR MOST OF MY PROFESSIONAL LIFE, AND I INTEND, IF CONFIRMED BY THIS BODY, TO SERVE THE FULL SIX-YEAR TERM AS YOUR INSPECTOR GENERAL.

I HOPE THAT THIS OVERVIEW OF THE WAY IN WHICH I WOULD LEAD THE OFFICE OF THE INSPECTOR GENERAL IS USEFUL TO THE NEEDS OF THIS HEARING, AND I WELCOME YOUR QUESTIONS AND OBSERVATIONS.



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